songs must not exceed the number of songs in the record. I reject this argument also. *Kwah Hai Gong's* case did not establish that proposition.

The other contentions raised during the hearing of the appeal rest on the argument that there was insufficient *prima facie* evidence or that the evidence was unsatisfactory to prove that copyright subsisted in the gramophone records or that the copyright owners had not given their consent to making reproductions of the records.

In my opinion there is no merit in these contentions and I am satisfied that there was sufficient *prima facie* evidence before the Magistrate at the close of the case for the prosecution to justify his calling on the appellant to enter upon his defence on the six charges. Accordingly the appeal is dismissed.

Appeal dismissed.

Solicitors: *Hilborne & Co.; Chua, Hay & Wee.*

MALAYSIAN REPORTS

SOCOOIL CORPORATION BHD. v. NG FOO CHONG & ANOR.

[F.C. (Lee Hun Hoe C.J. (Borneo), Chang Min Tat & Syed Othman F.JJ.) September 9 & December 5, 1980]

[Kota Kinabalu — Federal Court Civil Appeal No. 59 of 1980]

Trade Marks — "Golden Dragon" trade mark — Registered in Sabah by respondents — Application for order that said trade mark used in relation to goods not manufactured or distributed by respondents be deemed to be false trade description — Order made — Application to discharge order — Sabah Trade Marks Ordinance, ss. 27, 52, 54 & 55 — Trade Descriptions Act, 1972, s. 16.

The respondents in 1976 had registered in Sabah the trade mark of "Golden Dragon" in respect of edible oil under the Sabah Trade Marks Ordinance. In 1978 certain cooking oils not of the respondent's manufacture and bearing the identical trade mark of the "Golden Dragon" was sold in Sabah. The respondents applied *ex parte* for an order pursuant to section 16 of the Trade Descriptions Act, 1972 that the said trade mark of "Golden Dragon" used in relation to edible oils not manufactured by or distributed by the respondents shall be deemed for the purposes of the said Act to be a false trade description. The learned trial judge made the order in terms. Subsequently the appellants who claimed to have a proprietary interest in the trade mark of "Golden Dragon" applied to have the order discharged. They claimed to have started selling cooking oil in Malaysia under the "Golden Dragon" trade mark since 1976. The appellants had applied for registration of the trade mark in West Malaysia but as objection was raised by the respondents the mark had not been registered. The trial judge refused to discharge his previous order and the appellants appealed.

Held: as the respondents were the proprietor of a registered trade mark in Sabah and they have shown that some other person was infringing the registered trade mark in the course of trade, they were entitled to the order declaring that the infringing trade mark was a false trade description.

FEDERAL COURT.

R.R. Sethu (*Low Chee Boon* and *Cecil Ian Robertson* with him) for the appellants.

Porres P. Royan (*Gerard Math Lee Min* with him) for the respondents.

Cur. Adv. Vult.

Lee Hun Hoe C.J. (Borneo) (delivering the judgment of the Court): This appeal is against the refusal of the learned judge to discharge an order made by him earlier in respect of certain trade mark.

On January 22, 1976 respondents registered in Sabah the trade mark of "Golden Dragon" consisting of the device of a golden coloured dragon enclosed in a circle in respect of edible oil under the Sabah Trade Marks Ordinance (Cap. 142). The trade mark number is 19862 in Class 29. A certificate of the said registration was issued by the Registrar of Trade Marks, Sabah. In addition to the above trade mark respondents are also the registered proprietors in Sabah since 1973 of the "Double Dragon" trade mark No. 16293 and the "Double Phoenix" trade mark No. 16493 each of which also consists of the device of a dragon as a distinctive feature. In 1978 certain cooking oils not of respondents' manufacture and bearing identical trade mark of the "Golden Dragon" were sold in Sabah. It should be pointed out that the trade marks were only identical in the sense that the device of a dragon was used in each case but the design was dissimilar. So, by a notice of motion dated June

13, 1979 respondents applied *ex parte* for an order pursuant to section 16 of the Trade Descriptions Act, 1972 that the said trade mark of the "Golden Dragon" used in relation to edible oils and in particular to cooking oil not manufactured by or distributed by respondents shall be deemed for the purposes of the said Act to be a false trade description. On July 31, 1979 the learned judge made order in terms.

Subsequently, by a notice of motion dated November 8, 1979 appellants who claimed to have a proprietary interest in the trade mark of the "Golden Dragon" sought to discharge the order dated July 31, 1979. Appellants are a large and established manufacturer of palm and other edible oils. Some time in 1975 they decided to manufacture cooking oils for sale in the South East Asian market. As a result of this decision they created a number of trade marks to be used for the sale of the cooking oils. One of these marks was the "Golden Dragon". At the material time a Bill was laid before Parliament to repeal the trade mark laws of Semenanjung Malaysia, Sabah and Sarawak and replacing them with a Trade Marks Act applicable throughout Malaysia. Although the Trade Marks Act, 1976 had received the Royal Assent on June 21, 1976 it has yet to come into operation. Appellants claimed to have started selling cooking oil in Malaysia under the "Golden Dragon" trade mark on January 5, 1976. The manager of appellant firm, Mr. Khoo Chooi Leong affirmed in his affidavit that he was advised, apparently wrongly, by one Mr. Kanagaratnam against making three separate applications as the Bill was expected to be passed soon and there would be a central Registry for Semenanjung Malaysia, Sabah and Sarawak.

Following this advice appellants applied for registration of the "Golden Dragon" trade mark in Semenanjung Malaysia, Brunei and Hongkong but not Sabah and Sarawak. Appellants applied for registration of the said mark in Semenanjung Malaysia on September 13, 1975. In his supplementary affidavit Khoo Chooi Leong stated that the application had in fact been approved by the Registrar of Trade Marks and had been gazetted in the Government Gazette on March 31, 1977. Subsequently, upon advertisement of the said mark respondents raised objection so the said mark had not been registered in Semenanjung Malaysia.

Respondents took the trouble to have their trade marks registered in Sabah as early as 1973 and the "Golden Dragon" was registered on January 22, 1976. The reasons given by appellants for failing to seek registration in Sabah of the "Golden Dragon" trade mark are immaterial and irrelevant to the question before the court, that is, whether the order made on July 31, 1979 should be discharged or not. Appellants must show their proprietary interest in the trade mark in Sabah. Respondents alleged that appellants had not used their trade mark in Sabah prior to respondents' registration of their trade mark. They further alleged that appellants started selling their goods under their trade mark in 1978. Appellants have not denied this.

It is the contention of appellants that the learned judge ought not to have exercised the summary power under section 16 of the Trade Descriptions Act, 1972 as the said section was meant for plain and obvious cases where there would be no challenge to the right, title and registration of the proprietor of the mark. The right to the use of a particular trade mark depends on questions of facts which can only be decided in a trial.

Section 16 of the Trade Descriptions Act, 1972 reads:—

"16. (1) Where any person being a proprietor or registered user of a registered trade mark within the meaning of any written law relating to trade marks or being otherwise entitled at law to the protection of a trade or other mark or a get-up for any goods or services established —

(a) in the case of a registered trade mark, that his rights in respect of such trade mark are being infringed in the course of trade within the meaning of the written law; or

(b) in the case of a trade or other mark or get-up for any goods or services, that his rights in respect of such trade or other mark or get-up are being infringed in the course of trade as a result of which he has a right of action for passing off,

the High Court may on the application of such person make an order declaring that the infringing trade or other mark or get-up as the case may be is for purposes of this Act a false trade description in its application to such goods as may be specified in the order."

The learned judge accepted the submission of the respondents that under the above section any person having a registered trade mark who can show that his rights in such trade mark are being infringed in the course of trade may apply to the High Court for an order declaring that the infringing trade mark is a false trade description in its application to such goods as may be specified in the order. In other words, a person seeking to obtain an order under the said section need to show two things, namely:—

(a) that he is the proprietor of a registered trade mark, and

(b) that some other person is infringing that registered trade mark in the course of trade.

Both parties have filed affidavits in support of their applications. The learned judge was apparently satisfied on the evidence that respondents had established the two things under section 16 when he made the order. Appellants had failed to show why respondents are not entitled to protection under section 16. The contention that there is a conspicuous absence of any evidence of user or of promotion and advertisement of the mark by respondents does not advance the application of appellants any further as these requirements are not necessary for an order under section 16. Also, there is nothing requiring respondents to serve any paper on any affected person. Further, neither section 16 nor any other section requires the hearing to be *inter partes*. Of course, the court may, in the exercise of their inherent jurisdiction, direct the papers to be served on an interested or affected party.

Appellants made several points in support of their applications to discharge the order. They explained why they did not register their trade mark in Sabah and Sarawak. The fact remains that there are three sets of Trade Mark legislations in Malaysia — one in Semenanjung Malaysia and one each in Sabah and Sarawak. They complained that they had spent over $4½ million to advertise and promote their "Golden Dragon" mark from January 5, 1975 to August 31, 1979. They claimed to have sold over $36 million worth of cooking oil under the said mark. All these are not supported by documents. For all we know the money was used to advertise and promote the said

mark in territories other than Sabah. In the same way the sale of cooking oil could refer to sales in other territories other than Sabah. We are concerned with the proprietary rights in Sabah. Who are the registered proprietors of the trade mark in Sabah? Are they entitled to protection? The points raised by appellants are immaterial and irrelevant to the question whether the court ought to discharge the order made on July 31, 1979.

The fact that appellants registered their trade mark in Semenanjung Malaysia, Singapore, Hongkong, Brunei or Timbuctu is not relevant to the issue before us. We have maintained that since we are one country we should have one law for the country in respect of federal matters. The process of achieving uniformity is a slow one. Today, our Subordinate Courts have not achieved uniformity in practice and procedure. We are working towards uniformity. Our legal professions have not achieved uniformity. These are still covered by three different sets of laws — one each for Semenanjung Malaysia, Sabah and Sarawak. In the same way there are three different sets of trade mark laws in the country. A dispute in one jurisdiction does not necessarily mean there is dispute in another jurisdiction. If there is a dispute in Semenanjung Malaysia it falls within the jurisdiction of the High Court in Malaya. But, if the dispute is in Sabah or Sarawak it would fall within the jurisdiction of the High Court in Borneo. The two High Courts have equal and co-ordinate jurisdiction.

The dispute between the parties in respect of the registration of the said mark is in Semenanjung Malaysia and not in Sabah. An objection was raised in Semenanjung Malaysia over the registration of the mark. It is a fact that respondents were the registered proprietors of the "Golden Dragon" mark in Sabah on January 22, 1976. No objection was taken under section 27 of the Sabah Trade Marks Ordinance in respect of the mark. Also, any dispute between the parties in respect of a mark in Semenanjung Malaysia is entirely immaterial and irrelevant in either Sabah or Sarawak because of different legislation on the matter.

Respondents had objected to the registration of the trade mark by appellants in Semenanjung Malaysia when it was gazetted. The matter has yet to be settled. However, no objection was raised in respect of the registration of the trade mark by respondents in Sabah under the Sabah Trade Marks Ordinance. Only appellants can explain why no objection was taken. Under section 27 of the Sabah Trade Marks Ordinance an appeal lies from the decision of the Registrar to the High Court with further appeal to this court.

Respondents have the right to seek whatever remedy they consider appropriate to protect their proprietorship in the trade mark in Sabah. They choose to invoke the provisions of section 16 of the Trade Descriptions Act, 1972. Appellants have failed to show that an order could not be made under that Act.

We consider the learned judge was wrong to accept as correct the contention of respondents that an order made under section 16 of the said Act cannot have application throughout Malaysia if the written law, i.e. the Sabah Trade Marks Ordinance applies to Sabah only. There is nothing to prevent respondent seeking enforcement of their proprietary rights in Sabah over the "Golden Dragon" trade mark. The order made by the learned judge has full force and effect throughout Malaysia. Subsection (2) of section 7 of the Courts of Judicature Act, 1964 clearly provides that:—

"(2) All writs, summonses, warrants, orders, rules, notices and other processes whatsoever, whether civil or criminal, issued or made by or by the authority of the court respecting any cause or matter within its jurisdiction shall have full force and effect and may be served or executed anywhere within Malaysia."

In making the order the learned judge would seem to be satisfied that after respondents registered their "Golden Dragon" trade mark appellants introduced goods into Sabah with identical mark upon them. Respondents have used the device of a dragon as a distinctive feature in Sabah as early as 1973. This may be the reason why appellants have not objected to the registration of the trade mark by respondents in Sabah. It would be wrong to allow registration in respect of the same goods of a device similar to the device of a dragon as a distinctive feature as such could lead to deception that appellants' goods and respondents' goods were the same.

Section 54 makes clear that in all legal proceedings relating to a registered trade mark the fact that a person is registered as proprietor of the trade mark shall be *prima facie* evidence of the validity of the original registration of the trade mark. Appellants alleged that though both marks have dragons the designs are totally different. Reference was made to section 52, particularly subsection (4) which provides that:—

"The use of a registered trade mark, being one of two or more registered trade marks which are identical or nearly resemble each other, in exercise of the right to the use of that trade mark given by registration as aforesaid, shall not be deemed to be an infringement of the right so given to the use of any other of those trade marks."

Despite the fact that respondents had registered their trade mark in Sabah appellants questioned their proprietary interest. Appellants contended that under section 55 respondents could only enjoy exclusive right after seven years from date of registration. The proviso to section 55 states quite clearly that the proprietor of a registered trade mark shall not be entitled to interfere with or restrain the use by any person of an identical trade mark if the latter has continuously used the trade mark prior to the use of the trade mark by the registered proprietor or to the registration of the trade mark by the registered proprietor. The "Golden Dragon" trade mark was registered by respondents on January 22, 1976 in Sabah. Appellants have not claimed to have continuously used the "Golden Dragon" trade mark in Sabah prior to that date when the mark was registered. Respondents alleged that appellants used their mark only in 1978.

In our judgment on the evidence before him the learned judge was right to make the order and to dismiss the application to discharge the said order. Accordingly, we would dismiss the appeal with costs. Deposit to respondents on account of taxed costs.

Appeal dismissed.

Solicitors: *Robertson Pang & Co.; Shelley Yap Chong Chia & Co.*